



VIA ELECTRONIC MAIL: [natalie.andrews@state.ma.us](mailto:natalie.andrews@state.ma.us)

August 15, 2011

Natalie Andrews  
The Department of Energy Resources  
100 Cambridge Street - Suite 1020  
Boston, MA 02114.

RE: Department of Energy Resources' amendments to the solar Alternative Compliance Payment Rate - 225 CMR 14.08(3)(b)2.

Ms. Andrews:

NextEra Energy Resources, LLC ("Energy Resources") is pleased to offer these comments in support of The Department of Energy Resources' ("DOER") proposal to establish a 10-year forward schedule for the solar Alternative Compliance Payment ("ACP") rate.

Energy Resources, a subsidiary of NextEra Energy Inc. ("NextEra"), is one of the leading clean energy companies in the U.S. with over 18,000 megawatts of generation in operation in 27 states, as well as in Canada. Energy Resources is the largest generator of wind and solar power in North America and owns and operates the nation's largest solar facility, the 310 megawatt SEGS facility in California. An early supporter of the Regional Greenhouse Gas Initiative (RGGI) in Massachusetts and throughout the region, NextEra has long been one of the electric power sector's strongest advocates of meaningful action to address the threat of climate change. NextEra has extensive experience in developing and constructing power plants and associated infrastructure in fulfillment of state goals and procurement initiatives similar to the Solar Carve-Out Program.

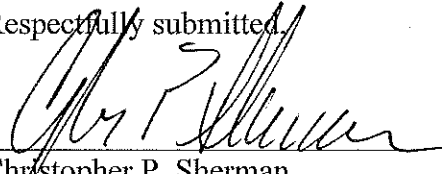
Energy Resources submitted comments on September 24, 2010, in support of the implementation of a state-wide Solar Carve-Out Program as a way to advance innovation and competition among market participants. We further stressed the importance of an ACP rate that would provide program participants with the value of long-term market certainty for SRECs and, in fact, specifically recommended "*that the DOER fix the ACP for the period of the Solar Carve-Out Program...*"

Consistent with our September 2010 comments, Energy Resources supports the DOER's current proposal to establish a 10-year forward schedule for the solar ACP rate with a rate reduction limited to 5% per year. Such a provision mitigates the inherent market risk in a nascent market such as Massachusetts's SREC market to provide market

participants with a heightened level of market security, thereby sending strong signals to the investment community to invest in solar resources in Massachusetts. This proposal is also appropriately accommodating to longer lead time projects that risk market erosion of the ACP under the existing regulations within their development window, thereby undermining market participation, discouraging solar development and unnecessarily maintaining a higher price of SREC supply for Massachusetts consumers. In sum, this proposal is a positive development for solar developers, market participants and consumers.

Energy Resources appreciates the tremendous efforts of the DOER in the evolution of a constructive framework for the successful implementation of the Solar Carve-Out Program. We offer our continued support for the further development of these regulations and request to be kept informed of additional efforts in that regard.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Chris P. Sherman", written over a horizontal line.

Christopher P. Sherman  
Director of Regulatory and Legislative  
Affairs  
NextEra Energy Resources